

BWAY CORP  
Form 10-Q  
May 07, 2010  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

**Quarterly Report Pursuant to Section 13 or 15(d)**

**of the Securities Exchange Act of 1934**

**For the quarterly period ended:**

**March 31, 2010**

**Registrant and State of Incorporation**

**Commission File Number**  
**001-33527**

**Address and Telephone Number**  
**BWAY HOLDING COMPANY**  
(Delaware)  
8607 Roberts Drive, Suite 250  
Atlanta, Georgia 30350-2237  
(770) 645-4800

**I.R.S. Employer Identification Number**  
**55-0800054**

**001-12415**

**BWAY CORPORATION**  
(Delaware)

**36-3624491**

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8607 Roberts Drive, Suite 250  
 Atlanta, Georgia 30350-2237  
 (770) 645-4800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

**Registrant**

BWAY Holding Company  Yes  No  
 BWAY Corporation  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

**Registrant**

BWAY Holding Company  Yes  No  
 BWAY Corporation  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

<b>Registrant</b>	<b>Large Accelerated Filer</b>	<b>Accelerated Filer</b>	<b>Non-Accelerated Filer</b>	<b>Smaller Reporting Company</b>
BWAY Holding Company	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BWAY Corporation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

**Registrant**

BWAY Holding Company  Yes  No  
 BWAY Corporation  Yes  No

**Shares Outstanding as of**

<b>Registrant</b>	<b>Description of Common Stock</b>	<b>May 6, 2010</b>
BWAY Holding Company	Par Value \$0.01 per share	<b>22,414,505</b>
BWAY Corporation	Par Value \$0.01 per share	<b>1,000</b>

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**BWAY HOLDING COMPANY**

**BWAY CORPORATION**

**Quarterly Report on Form 10-Q**

**For the quarterly period ended March 31, 2010**

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**Table of Contents****PART I****FINANCIAL INFORMATION****Item 1. Financial Statements****UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS****BWAY Holding Company and Subsidiaries**

(\$ in millions, except par value)

	March 31, 2010	September 27, 2009
<b>Assets</b>		
<u>Current assets</u>		
Cash and cash equivalents	\$ 39.3	\$ 88.7
Accounts receivable, net of allowance for doubtful accounts of \$0.6 and \$0.5	131.2	103.8
Inventories, net	107.8	87.0
Other current assets	24.4	15.6
<b>Total current assets</b>	<b>302.7</b>	<b>295.1</b>
Property, plant and equipment, net	166.0	160.9
Goodwill	272.1	259.0
Other intangible assets, net	130.3	129.4
Other assets	10.1	11.1
<b>Total assets</b>	<b>\$ 881.2</b>	<b>\$ 855.5</b>
<b>Liabilities and Stockholders' Equity</b>		
<u>Current liabilities</u>		
Accounts payable	\$ 123.4	\$ 98.0
Other current liabilities	54.0	63.3
Current portion of long-term debt	1.0	6.5
<b>Total current liabilities</b>	<b>178.4</b>	<b>167.8</b>
Long-term debt	399.9	395.8
Deferred tax liabilities	46.5	46.5
Other liabilities	48.5	47.1
<b>Total liabilities</b>	<b>673.3</b>	<b>657.2</b>
<b>Commitments and contingencies (Note 13)</b>		
<u>Stockholders' equity</u>		
Preferred stock, \$0.01 par value, 20,000,000 shares authorized		
Common stock, \$0.01 par value, 200,000,000 shares authorized; 22,414,505 and 22,198,718 shares issued and outstanding	0.2	0.2
Additional paid-in capital	140.5	137.9

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Retained earnings	69.2	64.0
Accumulated other comprehensive loss	(2.0)	(3.8)
Total stockholders' equity	207.9	198.3
Total liabilities and stockholders' equity	\$ 881.2	\$ 855.5

The accompanying notes are an integral part of the condensed consolidated financial statements.

**Table of Contents****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****BWAY Holding Company and Subsidiaries**

(\$ in millions, except per share amounts)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 31,</b>	<b>March 29,</b>	<b>March 31,</b>	<b>March 29,</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Net sales	\$ 248.0	\$ 206.1	\$ 467.0	\$ 418.6
<b><u>Costs and expenses</u></b>				
Cost of products sold (excluding depreciation and amortization)	207.9	166.7	394.8	358.8
Depreciation and amortization	13.1	10.8	26.8	21.9
Selling and administrative	5.0	6.4	10.7	12.0
Restructuring	0.7	0.7	2.7	1.4
Interest, net	8.8	7.4	17.7	15.6
Merger transaction costs	5.0		5.0	
Business acquisition costs			0.5	
Other	0.4	0.2	0.8	(0.6)
<b>Total costs and expenses</b>	<b>240.9</b>	<b>192.2</b>	<b>459.0</b>	<b>409.1</b>
Income before income taxes	7.1	13.9	8.0	9.5
Provision for income taxes	2.7	5.2	2.8	3.5
Net income	\$ 4.4	\$ 8.7	\$ 5.2	\$ 6.0
<b><u>Net income per share (Note 11)</u></b>				
Basic	\$ 0.20	\$ 0.40	\$ 0.23	\$ 0.27
Diluted	0.18	0.38	0.21	0.26

The accompanying notes are an integral part of the condensed consolidated financial statements.

**Table of Contents****UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****BWAY Holding Company and Subsidiaries**

(\$ in millions)

	Six Months Ended March 31, 2010	March 29, 2009
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 5.2	\$ 6.0
<u>Adjustments to reconcile net income to net cash used in operating activities</u>		
Depreciation	18.9	14.5
Amortization of other intangible assets	7.9	7.4
Amortization of debt issuance costs	1.1	1.0
Accretion of debt discount	2.2	
Credit from doubtful accounts		(0.5)
Gain on disposition of property, plant and equipment	(0.1)	
Deferred income taxes		0.1
Stock-based compensation expense	0.4	1.2
Change in operating assets and liabilities, net of business acquisitions:		
Accounts receivable	(25.9)	14.0
Inventories	(17.1)	17.6
Accounts payable	24.0	(85.5)
Other assets	(2.2)	5.8
Accrued and other liabilities	(5.0)	(4.9)
Income taxes, net	(9.8)	2.3
Net cash used in operating activities	(0.4)	(21.0)
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	(12.4)	(6.7)
Business acquisitions	(32.3)	
Other	0.2	
Net cash used in investing activities	(44.5)	(6.7)
<b>Cash Flows from Financing Activities</b>		
Repayments of other long-term debt	(6.6)	(18.1)
Principal repayments under capital lease obligations	(0.3)	(0.1)
Proceeds from stock option exercises	1.6	
Excess tax benefit related to share-based payments	0.2	
Net cash used in financing activities	(5.1)	(18.2)
Effect of exchange rate changes on cash and cash equivalents	0.6	(1.5)
Net decrease in cash and cash equivalents	(49.4)	(47.4)
Cash and cash equivalents, beginning of period	88.7	92.1
Cash and cash equivalents, end of period	\$ 39.3	\$ 44.7

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The accompanying notes are an integral part of the condensed consolidated financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**